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NASA Procedural Requirements

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Subject: NASA Equipment Management Manual

Responsible Office: Logistics Management Division

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CHAPTER 2: Equipment Acquisition and Use

2.1 Equipment Acquisition

2.1.1. Purpose. This chapter establishes uniform guidelines for the administration of equipment acquisition as it relates to property control and the Logistics Organization, including the preparation and coordination of equipment specifications, identification of unique equipment, and the approval to acquire. The receipt of all equipment that has not come through the Central Receiving will be reported immediately to the SEMO via fax, or a copy of the purchase order, electronic mail (e-mail), or telephone call. All items of NASA equipment will be acquired and used only to support official program or institutional operations. Equipment includes all items of personal property configured as mechanical, electrical, or electronic tools and apparatus, which function independently or in conjunction with other equipment, that has a useful life of 2 years or more, and is not consumed in an experiment. This section is for equipment-using organizations and applies to controlled equipment which is acquired and used by NASA Centers. Controlled equipment is defined in Appendix A, Definition of Terms. This chapter sets forth administrative requirements for the acquisition and use of new or replacement equipment. NASA contractors shall acquire equipment in accordance with the FAR and NASA FAR Supplement.

2.1.2. Guidance Information (Reserved).

2.1.3. Developing Cost Estimates.

2.1.3.1. Cost estimates for capital equipment, to be acquired with Human Space Flight (HSF), Science Aeronautics and Technology (SAT), and Mission Support (MS) funds and used at NASA Centers, and items costing \$250,000 or more, or items collectively costing \$1 million or more for the same purpose may require preparation of supporting documentation.

2.1.3.2. Separate documentation may be required for equipment items with related Center facility projects that meet the major equipment acquisition dollar levels.

2.1.4. Identification of Unique Equipment. Specialized equipment items or equipment systems generally not commercially available which, by design or function, may be subsequently redistributed and used for other purposes will be designated as unique equipment at the time the equipment becomes inactive. The determination should be made by the cognizant Division Director or chief in coordination with the NEMS equipment manager. When unique equipment becomes inactive, it must be reviewed throughout NASA for other use following the screening procedures.

2.1.5. Equipment Acquisition Documents. The use of the Equipment Acquisition Documents Forms (NASA Form 1511) is at the discretion of each Center through mutual agreement between the Financial Management Officer and the SEMO. In lieu of the Equipment Acquisition Document form, copies of purchase orders or documentation supporting the estimated costs of fabricated or prototype items may be used.

2.1.6. Procedures For Approving All Capital Equipment Acquisitions

2.1.6.1. These procedures will establish equipment-approval authority at a level which ensures that the approving officer is knowledgeable of the overall equipment requirements, the Center Director's equipment acquisition policy, and other Agency policy. The approving official will ensure that a review of the requirement is made by technically qualified personnel, preferably independent of the requiring office, and will ensure that coordination is effected with any offices functionally responsible for management and control of the equipment. Examples of equipment which are subject to such reviews are transportation,

photographic, automatic data processing, aircraft, safety, and weapons.

2.1.6.2. Prior to acquisition of an item valued at more than \$25,000, the contracting officer will ensure that appropriate consideration has been given to the Agency's existing equipment assets and that screening efforts have been accomplished through the Center's Disposal Office.

2.1.6.3. When transfer or loan from another Government agency or NASA Center is involved, the SEMO may be contacted for shipping and handling instructions. Requests for NASA Headquarters assistance in obtaining equipment from other Government agencies will be coordinated by the SEMO, the Property Disposal Officer, and, if needed, Headquarters (Agency) Logistics Manager.

2.1.7. Prescreening of NASA Property Disposal Management System (NPDMS). For an item of equipment estimated to cost more than \$25,000, the requesting office should contact the Center Property Disposal Officer for the prescreening of NASA NPDMS records prior to initiation of a procurement request. Screening should be done to determine the availability of candidate equipment which may satisfy the requirement and, thus, avoid a new acquisition. This informal prescreening technique is designed to reduce lead time and paperwork in the event that existing equipment can be used. Also see chapter 4.2.

2.1.8. Approving Contractor Proposals for Equipment. Contractor proposals for equipment acquisition will be processed and administered pursuant to the guidelines set forth in the FAR and NASA FAR Supplement and will be submitted to the cognizant contracting officer for approval.

2.1.9. Equipment Subject to Special Controls and Reporting Requirements. Additional special controls and reporting requirements are established for the following equipment:

2.1.9.1. Motor Vehicles. Separate annual calls are made for the Office of Management and Budget (OMB) and congressional budget submissions. Specific policies and procedures for the authorization, acquisition, utilization, and disposal of vehicles are set forth in NPD 6200.x, NASA Transportation and General Traffic Management. Federal Property Management Regulations, Amendment G-47, requires that passenger-carrying vehicles and trucks achieve a fleet average fuel economy as established by the Secretary of Transportation. In this regard, purchase requests and documentation submitted to the General Services Administration must include a NASA Form 925, Motor Vehicle Authorization and Certification, which has been approved or certified by the Logistics Management Team, NASA Headquarters.

2.1.9.2. Aircraft. The policies and procedures for aircraft acquisition are set forth in NPG 7900.x, Center Flight Operations Procedures. The guidance herein is for accountability and control.

a. To ensure control accountability, control and visibility of NASA aircraft, the Center Aircraft Management Officer (AMO) will provide data to the Center SEMO for inclusion into the NEMS equipment file.

b. The AMO will identify the purpose and use of all NASA-owned aircraft, active and inactive (e.g., decommissioned, displayed, parts, program support, research). The AMO will identify aircraft obtained solely for spare parts or for future programs; these aircraft will be accounted for in NEMS as a spare parts aircraft. The purpose and use may be incorporated into the item name or documented in the local data field.

c. The AMO will identify on the NEMS record the Federal Aviation Administration Registry Number or the NASA tail number of each aircraft. The number will be entered into the Unique Equipment Number field of the record.

d. The AMO must submit a Cannibalization/Modification Request (NASA Form 1617) for each aircraft acquired or identified as a spare parts aircraft. The SEMO and the Financial Management Officer must be notified on an annual basis of all value adjustments, or when the value of the aircraft drops 10 percent or more. The Cannibalization/Modification Request form will be reviewed, approved, and maintained on file, and cost value adjustments will be processed accordingly.

e. Based on the information provided by the Aircraft Management Officer, the SEMO will ensure that the NEMS equipment record for aircraft is accurately updated. Center-owned aircraft and stock shall be under appropriate Center inventory and financial accounting controls. Annual physical inventories of Center-owned aircraft, including spares aircraft, will be taken to determine the accuracy of the records and the NEMS control system. Adjustments will be made to ensure that financial statements are accurate. The results will be reconciled by the Aircraft Management Officer and SEMO and forwarded to the Center Financial Management Officer.

2.1.10. Equipment Acquired for Use in Mission Support Under the Space Tracking and Data Systems Program

2.1.10.1. NASA Centers acquiring space-tracking and data-systems-funded equipment will not prepare NASA Form 1511, Equipment Acquisition Document, for such equipment.

2.1.10.2. The acquisition of space tracking and data systems equipment will be subject to the Work Authorization Document (WAD) procedures established by the Space Operations Program. The acquisition of all tracking and data acquisition equipment will be administered only in accordance with these established procedures.

2.1.10.3. The Deputy Associate Administrator for Space Communications, Office of Space Flight, will provide to the SEMO input for the congressional budget for WAD-approved equipment acquisitions as set forth in the annual budget call. Also, by November 15 of each year, the Office of Space Flight will provide a report for the preceding fiscal year of actions taken by Centers for the acquisition of equipment as required.

2.1.11. Fabrication of Equipment

2.1.11.1. Equipment which is fabricated at or by a NASA Center will be sufficiently identified to enable appropriate Federal Supply Class identification and equipment accountability.

2.1.11.2. Documentation for, and description of, fabricated equipment will be developed and furnished to the SEMO for use in determinations regarding the physical control of such items.

2.1.12. Acquisition of Office Furniture. Prior to the purchase of office furniture, the acquiring activity will check the local excess inventory for items that can be reused. Items of office furnishings, costing \$5,000 or more, will be controlled as capital equipment.

2.2 Equipment Use

2.2.1. Purpose. This part establishes guidelines for the use, custody, care, and reporting of controlled equipment while in the hands of using organizations.

2.2.2. Guidance Information (Reserved)

2.2.3. Property Management Areas. Property management areas --See Appendix A - Definition of Terms--are required to ensure effective control and surveillance of equipment while in the possession of the responsible organizations. When defined, the SEMO will ensure establishment of and approve a property custodial account number for each area. The custodial account number will identify all controlled equipment assigned within the area for which the head of the user organization is responsible. The account number will be used for recording transactions against the account in the Center's NEMS data base.

2.2.4. Assignment and Responsibilities of Property Custodians.

2.2.4.1. A property custodian shall be assigned for each defined property management area. The duties of the property custodian are set forth in NPG 4200.2B, NASA Equipment Management Procedures and Guidelines for Property Custodians.

2.2.4.3. Whenever an equipment custodial account is difficult to manage, due to either the location or nature of use, the property custodian will assign the equipment to a primary user. The primary user will assume responsibility for stewardship of the equipment and should report any changes of status, location, or user to the property custodian.

2.2.5. Walk-through Inspections.

2.2.5.1. Walk-through inspections are required by FPMR Sections 25.109-25.109-2 and 101-43.101, and will be performed annually by each Division Director, or designee, accompanied by the property custodian. The walk through inspection will include all locations both onsite and offsite for each property management area for the following purposes:

- a. Identifying inactive or underused equipment for reutilization or retention in inactive storage. The Division Director or designee will identify, based on the knowledge of future programs, and approved by the Center Director, equipment that is no longer required or which is expected to become inactive in the near future.
- b. Inspecting the equipment to ensure that scheduled or necessary maintenance is being performed as required and that calibration of equipment is up to date and in keeping with established performance requirements.

2.2.5.2. Each NEMS item identified as inactive, including those in storage, will be reported to the NEMS Equipment Manager.

2.2.5.3. A Memorandum for Record, covering the results of the walk-through, will be prepared by the Division Director, and a copy will be maintained on file by each property custodian for each property management area, and a copy will be forwarded to the SEMO.

2.2.5.4. The SEMO will prepare a report annually for the Center Director, describing the previous calendar year's walk-through program and results.

2.2.6. Sensitive Equipment Items

2.2.6.1. Equipment items that have an acquisition cost of \$100 or more, and are easily pilferable and desirable for personal use, will be identified as sensitive equipment. Weapons and other potentially hazardous equipment items, that are offensive and dangerous in nature, will be controlled as sensitive, regardless of cost.

2.2.6.2. Appendix C of this guidance identifies required items of equipment that must be controlled as sensitive. Additionally, the Center SEMO may add other items of equipment in response to the need for added controls.

2.2.6.3. Each property custodian shall establish the following special controls for the sensitive items that have been identified in their respective NEMS account(s):

- a. Sensitive items will be assigned to the primary user. The property custodian will obtain the user's signature on appropriate documentation. This will be submitted to NEMS Control for processing if the Property Custodian Module is not used. As an operational option, the user's signature can be obtained after the fact, normally within 10 working days. The primary user assumes responsibility for surveillance of the sensitive items and should report to the property custodian any changes of

equipment status or location, or user.

- b. Sensitive items will be secured, when practical, when not in use.
- c. Sensitive items will not be out of possession or control of the person to whom they are assigned.
- d. All loans of sensitive items will be revalidated as required by the property custodian; however, sensitive items in Centerwide pools are exempt from this revalidation requirement.
- e. The assigned primary user must be able to produce all sensitive items not on documented loan within 24 hours.
- f. Due to their inherent pilferable nature, special care should be taken to ensure that underutilized sensitive items are not stored locally for extended periods of time.

2.2.6.4. At the discretion of the SEMO, an unannounced special inventory of sensitive items may be made by the property custodians to verify that the special controls have been established and that all sensitive items are accounted for. The SEMO can provide the listings by using NEMS Report 140, Custodian Account Property Record, selecting sensitive items only.

2.2.7. Loan of Equipment

2.2.7.1. NASA equipment may be loaned to Government and non-Government organizations, private individuals, corporations, or other entities, provided the loan is in the public interest and meets the following criteria:

- a. The loan will be temporary.
- b. It will benefit the Government.
- c. The borrower acquires no rights to the equipment.
- d. The equipment is not modified.
- e. The Center SEMO approves and, where applicable, the Office of the Chief Counsel concurs.

2.2.7.2 Custodian records of loaned or borrowed equipment will continue to be maintained by the lending property custodian. All loans off the Center will be made as prescribed.

2.2.7.3. Loans of equipment for use at home or for telecommuting initiatives must be necessary or beneficial to the conduct of NASA's missions or other official Government purposes. These loans will be approved initially for 6 months.

2.2.8. Cannibalization of Equipment

2.2.8.1. Equipment may be cannibalized-See Appendix A, Definition of Terms- when justified to fulfill equipment requirements. Written approval of the responsible Division Director has to be obtained prior to disassembly of equipment. This approval will be documented using NASA Form 1617, Request for Cannibalization or Modification of Controlled Equipment.

2.2.8.2. Requests will include the equipment control number, brief description to include the make, model, serial number, and value of the item to be cannibalized, and a brief statement as to the reason for the cannibalization and whether or not the cannibalized item will be retained for future use. Cannibalization or modification requirements do not apply to the removal and replacement of system components for operational purposes. The use of automated data processing for maintenance by redundancy (backup) or cannibalization for a parts source of supply shall not be made until Federal requirements are determined in accordance with NPG 4300.x, NASA Property Disposal Manual.

2.2.8.3. An approved NASA Form 1617 will be submitted to the NEMS Equipment Manager for appropriate adjustment of the equipment control record by the SEMO. Any residual unused materials will be turned in for reutilization or disposal. When cannibalized equipment is removed from the NEMS data base, the adjustments will be submitted to the Center financial management organization.

2.2.8.4. In those cases where an item, which has been modified, will continue to function and only the value has changed (i.e., the item has been modified), the new value for the item also will be reported to the SEMO for appropriate adjustment of the equipment control record on NASA Form 1617. Modifications to equipment require an adjustment to the equipment records when the modification cost exceeds \$1,000. The SEMO will ensure notification to the Financial Management Office of the cost change. Modification costs that do not exceed \$1,000 will be recorded by finance as current year costs.

2.2.8.5. Normally, equipment available from other NASA Centers, contractors, or other Government agencies will not be acquired solely for cannibalization. Exceptions to this rule will require directorate or higher level approval. This approval document will be maintained by the NEMS Equipment Manager in the equipment entry reference number microfilm or microfiche source document file for the item(s) acquired.

2.2.9. Retention of Inactive Equipment. The nature of NASA operations occasionally makes it desirable to retain equipment, not in current use, for a specified time for other potential needs prior to further disposition. Equipment may be retained in an inactive status by the Center for one of the following specific purposes and under the conditions indicated:

2.2.9.1. Firm Future Requirement. A firm future requirement may be considered a specific purpose for equipment retention,

provided that the equipment has been identified for use on a project, program, or other work activity, the planning of which has been approved by the Center director. All equipment held for firm requirements will be recertified annually by the director of the storing organization.

2.2.9.2. National Asset. Equipment may only be classified as a national asset and retained by the Center in an inactive status if it meets all of the following criteria:

- a. Special purpose in nature.
- b. Costly in its design and development.
- c. One of a kind or nationally scarce.
- d. Potential for reuse warrants retention, even though a firm future requirement does not exist.

2.2.9.3. Standby. Retention of equipment designated by the Center Director for emergency standby purposes may be justified. Standby equipment will be reviewed annually by the director of the storing organization for continued retention.

2.2.10. Reporting and Control of Inactive Equipment Retained by NASA Centers

2.2.10.1. The equipment held in an inactive status will be reported to the Center Supply and Equipment Management Officer for further processing in accordance with existing storage guidelines:

- a. The turn-in document will be annotated to reflect the purpose for retention and the length of time the equipment is to be held.
- b. The equipment transaction documentation will reflect pertinent data relating to the inactive designation of the equipment, including the results of cyclic review and re-certification prescribed by paragraph 2.2.9.2(d).
- c. All inactive equipment subject to reutilization screening will be classified as status code B (See appendix F).
- d. Equipment that is not readily movable or is specifically located for emergency purposes should be held in place and tagged to indicate its inactive status.
- e. For continued retention of inactive equipment, an annual written recertification will be provided by the Division Director or designee of the storing organization.

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